DEPARTMENTS OF EDUCATION, AGRICULTURE, INDUSTRIES AND COMMERCE.

Notification No. G. 2146—G. M. 55-12-240, dated 2nd September 1913.

The following rules for the grant of loans for agricultural, industrial and commercial purposes are published for general information.

By Order,
C. S. BALASUNDARAM IYER,
Secretary to Government.

RULES FOR THE GRANT OF LOANS GENERALLY TO FACILITATE AGRICULTURAL AND INDUSTRIAL OPERATIONS AND FOR THE PURCHASE AND ERECTION OF MACHINERY.

1. In order to facilitate agricultural and industrial operations, loans of money may be granted under these rules for any or all the purposes specified below :—

(1) for the purchase and erection of machinery for agricultural or industrial undertakings ;

(2) for the construction of wells or tanks, of mills, warehouses and other structures necessary for agricultural and industrial operations ;

(3) for the provision of raw material, working capital or appliances other than those specified above required for the carrying on of industrial operations.

2. The Director of Industries and Commerce shall be competent to sanction loans not exceeding Rs. 1,000 ; loans of larger sums shall be granted with the sanction of Government. Loans granted for the objects specified in (1) & (3) of Rule 1 will ordinarily be subject to a limit of Rs. 10,000 and Rs. 5,000, respectively, in each case.

3. The rate of interest charged shall be 6¼ *per cent per annum.*

4. Interest shall accrue from the date of the disbursement of the loan ; or, if it is expended by the Department of Industries and Commerce, from the date on which the machinery is put in working order by that department and the borrower put in possession of the same.

5. *Period allowed for repayment and mode of recovery of loans.*—Loans shall be repayable by fixed annual payments, discharging both principal and interest.

Simple interest shall be charged on the loan, or, if it is disbursed in instalments, on these instalments, up to a date one year previous to the date fixed for commencement of repayment ; and the total amount comprising the loan and such interest shall be recovered by annuities.

The time allowed for repayment of the loans and the amount of instalments shall be fixed by the Director of Industries and Commerce ; but such time shall not exceed five years in the case of loans for industrial purposes and seven years in the case of loans for agricultural purposes.

The time for repayment specified above shall count from the date on which interest becomes chargeable under Rule 4 above, provided that nothing in this rule shall be taken to preclude a borrower from discharging the loan at an earlier period or from paying a larger amount than the annual instalment. The excess so paid shall be credited in reduction of principal and the number of future payments shall, if necessary, be decreased, but no reduction in the amount of the instalments fixed under para 2 of this rule shall on this account be allowed.

6. The date for repayment of each instalment shall be decided by the Director of Industries and Commerce in reference to the nature of the object for which the loan is granted. But the date of the repayment of the first instalment shall not be put off for more than fifteen months from the date on which interest becomes chargeable on the loan under Rule 4 above.

7. *Postponement of repayment and remissions.*—If from causes beyond the control of the borrower the payment of any instalment becomes unduly burdensome to him, the repayment of this and all the subsequent instalments may, notwithstanding anything contained in Rules 5 and 6, be suspended by the Director of Industries and Commerce for a period of one instalment. Simple interest at 6¼ per cent shall be charged on all suspended instalments for the period of such suspension.

8. When the work for the carrying out of which the loan is contracted fails from causes beyond the borrower's control, and when the recovery of the loan in full would occasion serious hardship to the borrower, the circumstances of the case shall be reported to Government, and such orders as Government may be pleased to pass shall be binding on the borrower.

9. On every instalment which is not paid before the close of the revenue year in which payment falls due, interest at 6¼ per cent will be charged from the date on which payment ought to have been made. In calculating interest under this rule, a broken period of a month shall count as half a month or one month according as it is less or not less than 15 days and a fraction of a rupee as half rupee or one rupee according as it is less or not less than 8 annas.

10. Repayment should ordinarily be made at the treasury of the taluk in which the work has been carried out, but with the special permission of the Director repayment may be made at any District or Taluk Treasury in the State.

11. *Security.*—(*a*) No loan shall be granted unless the value of the security is at least equal to the amount of the loan applied for. The nature of the security to be required of the applicant or his surety shall be the saleable interest in lands or other immovable property held by the borrower or his surety, as the case may be, provided the value of the same is at least equal to the amount of the loan applied for; in addition to which, the object upon which the loan is expended shall be mortgaged to Government as additional security.

(*b*) When a loan is applied for by a group of persons on their joint personal security, an amount not exceeding 10 times the annual assessment of the lands held by the applicants may be sanctioned at the discretion of the sanctioning authority, provided that in addition to their personal security, the applicants mortgage to Government the whole plant, machinery and buildings on the purchase and erection of which the loan is expended.

12. *Hire-purchase.*—If an applicant so desires, he may, instead of offering security of immovable property for a loan to purchase machinery for agricultural or industrial purposes, obtain the requisite machinery from the Director of Industries on the hire-purchase system on the terms specified in the form of agreement appended hereto, provided the applicant deposits with his application one-fourth of the value of the machinery he requires.

13. *Recovery of loans.*—All loans granted under these rules and all other sums falling due to Government in connection therewith, or under a contract for hire-purchase, shall be recoverable as arrears of land revenue, and a stipulation to this effect shall be inserted in every agreement executed by a borrower.

14. If, at any time, the Director of Industries and Commerce is satisfied that any person or persons who have received a loan, have failed to perform any of the conditions on which it was made, he may, after recording in writing the grounds of his decision, pass an order directing the recovery forthwith of the loan, with any interest payable thereon and costs, as an arrear of land revenue. On receipt of a certified copy of such an order, the Deputy Commissioner to whom it is communicated will forthwith proceed to recover from such person or persons any sums which may remain due together with any interest payable thereon and costs, as an arrear of land revenue: provided that, with the sanction of the Director of Industries and Commerce, such officer may, at his discretion, so recover any sum less than the whole balance of the loan without prejudice to his right to recover the remainder of such balance at any subsequent time.

15. *Mode of application.*—An application for a loan must be made in writing to the Director of Industries and Commerce on Form No. I, hereto annexed, printed copies of which will be available free of cost at all Taluk Offices. Every application for a loan shall contain a declaration signed by the applicant or his surety, as the case may be, that the statements made therein regarding the nature

and extent of the encumbrances on the property offered as security are true and that there are no other encumbrances on the property to the best of his information and belief. The applicant shall also show in the column of remarks in Form I:—

(1) Whether the applicant proposes to supplement the loan by any private capital and if so, to what extent;

(2) the estimated total cost of the proposed work and the probable period that will be occupied in its construction.

16. An application for machinery on the hire-purchase system shall be in Form II appended hereto, printed copies of which will be available free of cost at all Taluk Offices.

17. *Grant of loans.*—No loan shall be granted without a local inquiry, which shall be held by a Special Officer attached to the Department of Industries and Commerce for that purpose. The result of his inquiry will be reported to the Director of Industries and Commerce, whose subsequent action in dealing with the application will be determined by the nature of the report as to the value of the security rendered. In dealing with applications for loans connected with agricultural purposes the Director will obtain and place on record the opinion of the Deputy Commissioner of the District where the loan is to be utilised.

18. Loans will ordinarily be granted for the purchase of machinery approved by the Director of Industries and Commerce or other competent professional adviser as suitable for the purpose to which it is to be applied. Intending applicants for loans may address the Director to obtain advice, previous to submitting their applications. For the present, no fees will be charged by the Department for advice and assistance.

19. All loans will be disbursed by the Director, and it will be the duty of the borrower to put the work in hand immediately after the receipt of the loan.

The Department of Industries and Commerce will, if requested to do so, undertake the erection and starting of machinery for private individuals or firms, and will hand over the same in good working order.

20. Machinery purchased with loans obtained under these rules must be maintained in good working order to the satisfaction of the Director of Industries and Commerce, who may order repairs or renewals to be made at the cost of the owner. Failure to comply with such orders will involve proceedings for the recovery of the loan under Rule 14 of these rules.

21. *Registers and accounts.*—The Director shall keep a register of loans and repayments under these rules, including cases of hire-purchase, in a form which he will settle in consultation with the Comptroller. This register should clearly show the stage in which each transaction stands at any particular time.

22. Every loan sanctioned under these rules should be reported by the sanctioning authority to the Comptroller with full particulars. The Comptroller will see that the loan is covered by rules and sanction of competent authority and will watch the repayment of the instalments. A special section in the Comptroller's annual report on loan transactions should be devoted to loans under these rules.

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FORM I.

FORM OF APPLICATION FOR LOANS.

1. Name, father's name and residence of applicant.

2. Amount of loan required.

3. Object for which the loan is required.

Security offered							Name of the person who agrees to offer land or other immovable property as security and the nature and extent of his right in it	Rights of others in the land		Nature and extent of encumbrances if any in the property where land or other immovable property is offered as security	Whether any arrears are due on land or other immovable property offered as security	Proposed time of repayment	Remarks
If personal	If land				Other immovable property								
Name, father's name and residence of the surety	Survey No.	Extent	Assessment	In whose name registered	Extent	Description		Name, occupation and address	Nature and extent of right				
4	5	6	7	8	9	10	11	12	13	14	15	16	17
		A. g.	Rs. a. p.		A. g.								

NOTE:-

1. Application for a loan under these rules should be made to the Director of Industries and Commerce on Form No. 1, printed copies of which will be available free of cost in all taluk offices.

2. Loans of money may be granted under these rules for any or all the purposes specified below:—

(i) Purchase and erection of machinery for agricultural or industrial undertakings, ordinarily up to a limit of Rs. 10,000 in each case.

(ii) The construction of wells and tanks, of mills, warehouses and other structures necessary for agricultural or industrial operations.

(iii) The provision of raw material, working capital or appliances, other than those specified above, required for the carrying on of industrial operations, ordinarily up to a limit of Rs. 5,000 in each case.

3. All loans granted under these rules and all other sums falling due to Government in connection therewith shall be recoverable as an arrear of land revenue.

4. The applicant will show in the column of remarks in form No. 1:—

(i) Whether the applicant proposes to supplement the loan by any private capital and if so, to what extent;

(ii) the estimated total cost of the proposed work and the probable period that will be occupied in its construction.

5. The rate of interest charged on the loan shall be 6¼ *per cent per annum*.

6. Loans shall be repayable by fixed annual payments, discharging both principal and interest.

7. The time allowed for repayment shall be fixed by the Director of Industries and Commerce, subject to the limitation of a period of 5 years in the case of loans for industrial purposes and 7 years in the case of loans for agricultural purposes.

8. If the grantee of a loan misapplies the whole or any portion of the loan or otherwise fails in any of the conditions of the grant, the whole unpaid balance of the loan with interest and costs will be liable to summary recovery as an arrear of land revenue.

9. Loans for the purchase of machinery will be sanctioned only on the condition that the machinery is approved by the Director of Industries and Commerce or other competent professional adviser as suitable for the purpose to which they are to be applied.

10. If requested, the Department of Industries and Commerce will undertake to erect the work for which the loan is obtained at the cost of the borrower and hand it over to him in good working order and with proper accounts of the expenses incurred on his behalf.

11. The machinery purchased and the buildings, etc., erected with the loan referred to above shall be maintained in a suitable condition and working order and repairs and renewals as directed by the Director from time to time shall be carried out without undue delay.

N.B.—This is a summary of the conditions under which the loans sanctioned in Government Order No. G. 2097-145—G. M. 55-12-239, dated 2nd September 1913, are granted. For further particulars the order itself should be consulted.

FORM 2.

APPLICATION FOR MACHINERY FOR AGRICULTURAL OR INDUSTRIAL PURPOSES ON THE HIRE-PURCHASE SYSTEM.

1. Name of applicant.
2. Father's name.
3. Caste.
4. Age.
5. Residence.
6. Village, hobli, taluk and district where applicant proposes to set up the machinery.
7. Nature and description of machinery required and its approximate value.
8. Object for which the machinery is required.
9. Amount which the applicant is prepared to deposit (being ¼ of the approximate value of the machinery required).
10. Whether the applicant wishes the Director of Industries and Commerce to set up the machinery for the applicant at applicant's cost and what other help he wants from the Department in connection with the installation.

FORM 3.

ORDER GRANTING A LOAN UNDER GOVERNMENT ORDER NO. G. 2097-145—G. M. 55-12-239, DATED 2ND SEPTEMBER 1913.

I. The sum of rupees.....is granted to.....caste..... calling.....son of.....residing at..... as a loan under Government Order No. G. 2097-145—G. M. 55-12-239, dated 2nd September 1913, for the purpose of..... ..... subject to the following conditions:—

II. The conditions referred to are as follows:—

(i) That as requested by the borrower.....the amount of the loan shall be expended by the Department of Industries and Commerce on the execution of the necessary security bonds for the purpose of..... .....and the work handed over to the borrower..... as soon after completion as possible in good working order with proper accounts of the expenses incurred on behalf of the borrower, or,

(ii) That the amount of the loan shall be paid to the aforesaid.....in..... .....instalments on the execution of the necessary security bonds, the first on the production of this order and the second and subsequent instalments on proof that the first and previous instalments have been properly utilised.

(iii) That if it shall appear to the satisfaction of the Director of Industries and Commerce that any portion of the first or subsequent instalments has been misapplied to any other purpose than that specified above the portion of loan already paid to the aforesaid..... .....shall be recoverable as an arrear of land revenue.

III. (i) That the loan with interest thereon at 6¼ per cent shall be repaid by equal annual instalments of Rs..... .....falling due with the.....khist of the revenue year commencing with 19.....and ending with 19.....

(ii) Such annual payments shall be made at the Treasury of.....Taluk.

(iii) If default in payments of annual instalments on account of the loan occurs or if the aforesaid.....should contravene any of the conditions under which the loan is granted, the unpaid balance of the loan shall be recoverable as an arrear of land revenue.

IV. That the machinery purchased and buildings, etc., erected with the loan referred to above shall be maintained in a suitable condition and good working order and that repairs and renewals as directed by the Director of Industries and Commerce from time to time shall be carried out without undue delay.

V. That for the repayment of the loan with interest and costs, if any, due on the same, the immovable property specified below, in addition to the object upon which the loan is expended, is hypothecated as collateral security to Government.

Signature of the officer granting the loan.

I have understood and agreed to the aforesaid terms and conditions.

Signature of borrower.

FORM 4.

HIRE-PURCHASE AGREEMENT.

An agreement made this day of 19 between the Director of Industries and Commerce on behalf of the Government of His Highness the Maharaja of Mysore (hereinafter called "the Director") of the one part and of (hereinafter called "the hirer") of the other part.

Whereby it is agreed as follows:—

1. The Director agrees to let on hire to the hirer, and the hirer agrees to take from the Director the machinery in the Schedule hereunder written (hereinafter referred to as "the machinery").

2. The Director hereby acknowledges the receipt of Rs. for the option of purchase hereinafter contained. If the hirer shall exercise such option, credit will be given to the hirer for such sum. If he does not, then such sum shall belong absolutely to the Director.

3. So long as the hirer thinks fit to continue the hiring, he shall pay for the hire of the said machinery to the Director at Bangalore, without demand, the sum of Rs. every six months with interest on the amount of hire for the time being unpaid at the rate of *per cent per annum.*

The first payment of Rs. together with the interest which shall have accrued and be payable as aforesaid to be made on the day of 19 , the second payment of Rs. and interest as aforesaid to be made on the day of 19 , and the third payment of Rs. and interest as aforesaid to be made on the day of 19 , and the fourth payment of Rs. and interest as aforesaid to be made on the day of 19 , (and so on).

4. It shall be lawful for the Director and all persons authorised by him, at all times to enter upon any premises in which the machinery may be for the time being, to examine the same.

5. The hirer agrees with the Director that during the hiring—

(*a*) the machinery shall be kept in good and serviceable order and condition (also wthout damage by fire) and that no alteration or addition thereto shall be made without the previous written consent of the Director ;

(*b*) the machinery shall be kept in possession of the hirer and upon trust for the Director at the hirer's address given in the Schedule hereto, or at such other addresses as the Director may by writing authorise, free from distress, execution, or other legal processes, and shall not on any account be sold, assigned, or dealt with, or the possession thereof parted with ;

(*c*) all rates, taxes and outgoings payable in respect of the premises wherein the machinery may for the time being be placed shall be duly and punctually paid and discharged by the hirer, and the current receipts therefor shall be produced to the Director on demand.

6. It is hereby declared that the Director has entered into this agreement upon the express declaration by the hirer, and the hirer hereby expressly warrants, that the premises upon which the machinery is to be placed are free from any mortgage incumbrance or charge given or created by the hirer, or any person through whom he claims.

7. If the hirer at any time during the hiring shall be desirous of executing or creating any charge, mortgage or other incumbrance of or upon the premises in or upon which the machinery shall for the time being be, he shall give to the Director one calendar month's previous notice in writing of his intention so to do, and upon the receipt of such notice it shall be lawful for the Director to put an end to the hiring in manner provided by the next succeeding clause.

8. If the hirer

(*a*) shall make default in punctually paying any hire instalment or

(*b*) shall be adjudicated bankrupt or shall file a petition in insolvency or enter into any arrangement or composition with his creditors or

(*c*) shall execute or create any mortgage incumbrance or charge of or upon the premises in or upon which the machinery may for the time being be, or give notice of his intention so to do as provided by the last preceding clause or

(*d*) shall fail to observe and perform any of the agreements and conditions contained in this Agreement and on his part to be observed and performed,

then, and in any such case, it shall be lawful for the Director to immediately put an end to the hiring, and for that purpose the hirer hereby authorises the Director or any one deputed by him to enter upon any premises in which the machinery may be for the time being, and to seize and take away the same.

9. Should the hirer hinder or prevent the Director or his Deputy seizing and taking away the machinery, then and in every such case the hirer shall pay to the Director the sum of Rs. 200 (two hundred rupees) as and by way of liquidated damage for breach of this provision and not by way of penalty.

10. If the Director shall seize and take possession of the said machinery under clause 8 hereof, the hirer shall have the option within one month after such seizure of purchasing the said machinery by the payment to the Director of Rs. together with the costs and expenses of and incidental to such seizure. In the event of the hirer making such payment within the time aforesaid he shall receive credit from the Director for all sums previously paid by him on account of hire and the amount paid on the signing of this agreement. If the hirer shall not exercise such option and make such payments within the time aforesaid, the option given to the hirer by this clause shall cease and the hirer shall not be entitled to any credit, allowance or return for or on account of any payments made previously by him.

11. No allowance, return, credit or payment, shall be allowed or paid to the hirer in the event of the hiring being determined by the Director as provided by clause 8 hereof, but the hirer shall pay to the Director at Bangalore all arrears of hire, interest and damages, for the breach of this agreement up to the date of such determination.

Such damages shall be in addition to and not in substitution of any damages mentioned in clause 9 hereof.

12. All sums falling due to the Director under this contract shall be recoverable from the hirer as an arrear of land revenue.

13. The Director hereby agrees that the hirer shall have the option of purchasing the machinery at any time during the hiring by paying the sum of Rs.....with interest thereon at.....*per cent per annum* from the date hereof, and also that if the hirer shall exercise such option he will give to the hirer credit against such purchase price for all payments which shall have been made by him for hire, with counter interest on such payments at the like rate and also for the sum paid on the signing of this agreement. But until such purchase price shall have been paid in full, the said machinery shall remain the absolute property of the Government of Mysore.

14. If the Director shall grant to the hirer any time or indulgence, the same shall not affect or prejudice the Director's rights under this agreement.

.....

Director's signature.

.....

Hirer's signature.

Witness to signature of the said

Signature.....

Address.....

Occupation.....

(Schedule above referred to)

Machinery.

Address for the purpose of clause 5 (*b*)

District Town Street Number of house.

FORM 5.

MORTGAGE DEED TO BE EXECUTED BY THE BORROWER.

THIS instrument made the.....day of.....191.....between.....
.....of.....(hereinafter called "the Mortgagor") of the one part and the Director of Industries and Commerce on behalf of the Government of His Highness the Maharaja of Mysore (hereinafter called "the Mortgagee") of the other part.

WHEREAS the Mortgagor $\frac{\text{has}}{\text{have}}$ received from the Director of Industries and Commerce.....
.....an order under the Rules for the grant of Loans generally to facilitate Agricultural and Industrial Operations issued under Notification No. G. 2146—G. M. 55-12-240, dated 2nd September 1913.....
.....and dated the.....day of.....191.....in virtue of which the Mortgagor $\frac{\text{is}}{\text{are}}$ entitled to receive the aggregate sum of Rs.....as a loan from the Mortgagee for the purpose of.....
and WHEREAS security for the due application of the amount of the said loan and for the punctual repayment of the same according to the terms of the said order is demanded by or on behalf of the mortgagee and in order to furnish such security the Mortgagor has agreed to sign these presents.

NOW THESE PRESENTS WITNESS that in consideration of the said loan and in pursuance of the said agreement the Mortgagor doth hereby transfer to the Mortgagee, his successors and assigns the immovable property described in Schedule A hereunder written with the appurtenances thereto subject to redemption as hereinafter mentioned.

THESE PRESENTS ALSO WITNESS that in consideration of the said loan and in pursuance of the said agreement the Mortgagor doth hereby further transfer to the Mortgagee, his successors and assigns the property described in Schedule B hereunder written, being that on which the said loan is to be expended, subject to redemption as hereinafter mentioned.

AND it is hereby agreed that if the Mortgagor, $\frac{\text{his}}{\text{their}}$ legal representatives and assigns shall duly comply with the terms on which the said loan has been granted and shall apply the same and every part thereof in the manner provided in the said order and shall duly repay the amount of the said loan together with any interest which may have become payable thereon or on any part thereof and all costs if any incurred by the Mortgagee, his successors or assigns in making the said loan or otherwise in connection therewith; the Mortgagee, his successors or assigns shall thereupon retransfer the said immovable property noted in Schedule A together with the property described in Schedule B to the Mortgagor, his legal representatives or assigns or as he or they shall direct.

PROVIDED always and it is hereby agreed that in case the Mortgagor, his legal representatives or assigns shall fail to comply with the terms on which the said loan has been granted it shall be lawful for the Mortgagee, his successors and assigns to sell the said immovable property noted in Schedule A and the property described in Schedule B or any parts thereof and out of the proceeds of such sale to make good to the Mortgagee, his successors or assigns the amount which in consequence of any such default shall be payable by the Mortgagor, his legal representatives or assigns.

In witness whereof the Mortgagor $\frac{\text{has}}{\text{have}}$ hereunto set $\frac{\text{his}}{\text{their}}$ hand the day and year first above written.

The schedule above referred to.

SCHEDULE A.

Registration District	Registration Sub-District	Village	If the property is house property				If cultivable land				
			Boundaries of the property	Description and value of buildings and how long likely to last	Extent of building site and of vacant ground or compound	Trees, wells, etc.	Survey number	Wet or dry	Extent	Assessment	Trees, wells, etc.
1	2	3	4	5	6	7	8	9	10	11	12

SCHEDULE B.

Registration district	Registration Sub-District	Village	Description of objects upon which the loan is expended

(Signature of borrower)

Witness.

(1) .....son of.....Village of.....

(2) .....son of.....Village of.....

Signed by the above mentioned
in the presence of

FORM 6.

SECURITY BOND TO BE EXECUTED BY A SURETY FOR A BORROWER.

THIS INSTRUMENT MADE the.....day of.....19.....
between.....of.....(hereinafter called " the Mortgagor ") of the one part and the Director of Industries and Commerce on behalf of the Government of His Highness the Maharaja of Mysore (hereinafter called "The Mortgagee ") of the other part.

WHEREAS.....$\frac{\text{has}}{\text{have}}$ received from the Director of Industries and Commerce:.....
.....an order under the Rules for the grant of loans generally to facilitate agricultural and industrial operations issued under Notification No. G. 2146—G. M. 55-12-240, dated 2nd September 1913, and dated the.....day of.....19.....
in virtue of which the said.....$\frac{\text{is}}{\text{are}}$ entitled to receive the aggregate sum of Rs.....as a loan from the Mortgagee for the purpose of.....

AND WHEREAS security for the due application of the amount of the said loan and for the punctual repayment of the same according to the terms of the said order is demanded by or on behalf of the Mortgagee and in order to furnish such security the Mortgagor has agreed to sign these presents.

NOW THESE PRESENTS WITNESS that in consideration of the said loan and in pursuance of the said agreement the Mortgagor doth hereby transfer to the Mortgagee, his successors and assigns the immovable property described in the Schedule hereunder written with the appurtenances thereto subject to redemption as hereinafter mentioned.

AND it is hereby agreed that if the said .....$\frac{\text{his}}{\text{their}}$ legal representatives and assigns shall duly comply with the terms on which the said loan has been granted and shall apply the same and every part thereof in the manner provided in the said order and the said.....$\frac{\text{his}}{\text{their}}$ legal representatives or assigns or the Mortgagor or his legal representatives shall duly repay the amount of the

said loan together with any interest which may have become payable thereon or on any part thereof and all costs if any incurred by the Mortgagee, his successors or assigns in making the said loan or otherwise in connection therewith, the Mortgagee, his successors or assigns shall thereupon retransfer the said immovable property to the Mortgagor, his legal representatives or assigns or as he or they shall direct.

PROVIDED always and it is hereby agreed that in case the said....., $\frac{\text{his}}{\text{their}}$ legal representatives or assigns shall fail to comply with the terms on which the said loan has been granted, it shall be lawful for the Mortgagee, his successors and assigns to sell the said immovable property or any part thereof and out of the proceeds of such sale to make good to the Mortgagee, his successors or assigns the amount which in consequence of any such default shall be payable by the said..... .....$\frac{\text{his}}{\text{their}}$ legal representatives or assigns.

PROVIDED also and it is hereby agreed that although as between the said..... .....and the Mortgagor, the Mortgagor is surety only for the said..... yet, as between the Mortgagor and the Mortgagee, the Mortgagor is to be considered as principal debtor for the principal moneys, interest and costs intended to be hereby secured so that the Mortgagor or his legal representatives shall not be released or exonerated by time being given to the said..... ..... $\frac{\text{his}}{\text{their}}$ legal representatives or by any other dealings, act, matter or thing whatsoever whereby the Mortgagor or his legal representatives as surety or sureties only for the said..... .....and $\frac{\text{his}}{\text{their}}$ legal representatives would be so released or exonerated.

In witness whereof the Mortgagor has hereunto set his hand the day and year first above written.

Signature of surety

Witnesses.